

FINANCIAL STATEMENTS  
OF  
COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
CHEROKEE, IOWA  
AT  
JUNE 30, 2006 AND 2005  
WITH INDEPENDENT AUDITORS' REPORT THEREON

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COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.

BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Ramona Schuett	President	2007
Leon Williams	Vice-President	2007
Betty Waller	Treasurer	2005
Delores Witt	Secretary	2006
Kelly Mattis	Member	2005
Shari O'Bannon	Member	2006
Dorothy Olson	Member	2005
Bryon Kelley	Member	2008
Jan Deedrick	Member	2007
Sally Dobson	Executive Director	2006
Will Cook	Attorney	Indefinite

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Council Against Domestic Abuse & Sexual Assault, Inc.  
Cherokee, Iowa

We have audited the accompanying statements of financial position of Council Against Domestic Abuse & Sexual Assault, Inc. (a nonprofit organization) as of June 30, 2006 and 2005 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council Against Domestic Abuse & Sexual Assault, Inc. at June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2006 on our consideration of Council Against Domestic Abuse & Sexual Assault, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

BURKHARDT & DAWSON, CPA's

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Certified Public Accountants

August 31, 2006

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2006 AND 2005

ASSETS		<u>2006</u>	<u>2005</u>
CURRENT ASSETS:			
Cash		\$ 58,705	\$ 79,040
Returned Checks		0	17
Certificates of Deposit		28,035	27,282
Grants Receivable		26,052	22,027
Interest Receivable		113	96
Prepaid Insurance		<u>0</u>	<u>6,752</u>
TOTAL CURRENT ASSETS		<u>\$112,905</u>	<u>\$135,214</u>
PROPERTY AND EQUIPMENT:			
Shelter Home and Improvements		\$ 93,946	\$ 93,946
Furniture Building		30,306	30,306
Shelter Home Furnishings		8,014	8,014
Equipment		<u>56,576</u>	<u>57,215</u>
TOTAL		\$188,842	\$189,481
LESS - Accumulated Depreciation		<u>101,928</u>	<u>93,511</u>
NET PROPERTY AND EQUIPMENT		<u>\$ 86,914</u>	<u>\$ 95,970</u>
TOTAL ASSETS		<u>\$199,819</u>	<u>\$231,184</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts Payable		\$ 20	\$ 0
Payroll Taxes Payable		955	502
Accrued Wages Payable		<u>7,068</u>	<u>7,621</u>
TOTAL CURRENT LIABILITIES		<u>\$ 8,043</u>	<u>\$ 8,123</u>
NET ASSETS:			
Unrestricted		\$187,478	\$218,954
Temporarily Restricted		<u>4,298</u>	<u>4,107</u>
TOTAL NET ASSETS		<u>\$191,776</u>	<u>\$223,061</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$199,819</u>	<u>\$231,184</u>

See accompanying notes to financial statements

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006			2005		
	UNRE- STRICTED	TEMPOR- ARILY RESTRICTED	TOTAL	UNRE- STRICTED	TEMPOR- ARILY RESTRICTED	TOTAL
SUPPORT AND REVENUE:						
Support:						
Contributions	\$ 23,375	\$ 300	\$ 23,675	\$ 25,417	\$ 684	\$ 26,101
Grants	186,875	0	186,875	198,999	0	198,999
Interest	1,101	0	1,101	1,081	0	1,081
Donated Services	25,632	0	25,632	22,783	0	22,783
TOTAL SUPPORT	\$236,983	\$ 300	\$237,283	\$248,280	\$ 684	\$248,964
Revenue:						
New Leaf Sales	36,230	0	36,230	43,087	0	43,087
Miscellaneous	30	0	30	483	0	483
TOTAL SUPPORT AND REVENUE	\$273,243	\$ 300	\$273,543	\$291,850	\$ 684	\$292,534
EXPENSES:						
Advocacy	\$114,596	\$ 0	\$114,596	\$102,158	\$ 0	\$102,158
Crisis Service Needs	63,000	109	63,109	51,700	1,406	53,106
Education	21,385	0	21,385	19,718	0	19,718
Furniture Sales	47,630	0	47,630	43,984	0	43,984
Administration	58,108	0	58,108	53,630	0	53,630
TOTAL EXPENSES	\$304,719	\$ 109	\$304,828	\$271,190	\$ 1,406	\$272,596
CHANGE IN NET ASSETS	\$(31,476)	\$ 191	\$(31,285)	\$ 20,660	\$ (722)	\$ 19,938
NET ASSETS, BEGINNING OF YEAR	218,954	4,107	223,061	198,294	4,829	203,123
NET ASSETS, END OF YEAR	\$187,478	\$ 4,298	\$191,776	\$218,954	\$ 4,107	\$223,061

See accompanying notes to financial statements

**COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.**  
**CHEROKEE, IOWA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006						
	<u>ADVOCACY</u>	<u>CRISIS SERVICE NEEDS</u>	<u>EDUCATION</u>	<u>NEW LEAF</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>ADMINI- STRATION</u>	<u>TOTAL EXPENSES</u>
Salaries and							
Wages	\$ 96,993	\$ 26,757	\$ 10,034	\$ 14,401	\$148,185	\$ 33,445	\$181,630
Payroll Taxes	9,166	2,529	948	1,102	13,745	3,161	16,906
Fringe Benefits	6,787	1,872	702	0	9,361	2,341	11,702
Workers							
Compensation	1,650	467	187	249	2,553	561	3,114
Advertising	0	0	0	24	24	0	24
Audit	0	0	0	0	0	2,900	2,900
Bank Fees	0	0	0	0	0	433	433
Client Expense	0	5,127	4,437	658	10,222	0	10,222
Dues and							
Subscriptions	0	0	0	0	0	629	629
Insurance	0	0	0	2,563	2,563	2,667	5,230
Office Expense	0	2,018	0	161	2,179	672	2,851
Postage	0	0	527	22	549	527	1,076
Rent	0	4,800	0	500	5,300	0	5,300
Repairs and							
Maintenance	0	1,850	0	999	2,849	463	3,312
Security	0	393	0	0	393	0	393
Shelter							
Expenses	0	370	0	0	370	0	370
Telephone	0	2,950	2,360	719	6,029	1,245	7,274
Small Tools							
and Supplies	0	0	0	468	468	0	468
Training	0	0	145	0	145	0	145
Travel	0	2,044	2,045	0	4,089	0	4,089
Utilities	0	5,849	0	5,247	11,096	650	11,746
Vehicle Expense	0	0	0	0	0	0	0
Volunteer -							
Honorariums	0	327	0	0	327	0	327
In-Kind							
Expenditures:							
Volunteers	<u>0</u>	<u>5,756</u>	<u>0</u>	<u>19,876</u>	<u>25,632</u>	<u>0</u>	<u>25,632</u>
TOTAL EXPENSES							
BEFORE							
DEPRECIATION	\$114,596	\$ 63,109	\$ 21,385	\$ 46,989	\$246,079	\$ 49,694	\$295,773
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>	<u>641</u>	<u>641</u>	<u>8,414</u>	<u>9,055</u>
TOTAL EXPENSES	<u>\$114,596</u>	<u>\$ 63,109</u>	<u>\$ 21,385</u>	<u>\$ 47,630</u>	<u>\$246,720</u>	<u>\$ 58,108</u>	<u>\$304,828</u>



	2005						
	<u>ADVOCACY</u>	<u>CRISIS SERVICE NEEDS</u>	<u>EDUCATION</u>	<u>NEW LEAF</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>ADMINI- STRATION</u>	<u>TOTAL EXPENSES</u>
Salaries and Wages	\$ 86,603	\$ 23,891	\$ 8,959	\$ 11,518	\$130,971	\$ 29,863	\$160,834
Payroll Taxes	8,016	2,211	829	881	11,937	2,765	14,702
Fringe Benefits	6,351	1,752	657	0	8,760	2,190	10,950
Workers Compensation	1,188	337	134	179	1,838	403	2,241
Advertising	0	0	0	46	46	60	106
Audit	0	0	0	0	0	2,800	2,800
Bank Fees	0	0	0	0	0	424	424
Client Expense	0	5,728	4,631	688	11,047	0	11,047
Dues and Subscriptions	0	0	0	0	0	966	966
Insurance	0	0	0	2,374	2,374	2,611	4,985
Office Expense	0	2,068	0	78	2,146	689	2,835
Postage	0	0	464	0	464	464	928
Rent	0	4,800	0	500	5,300	0	5,300
Repairs and Maintenance	0	1,617	0	879	2,496	404	2,900
Security	0	372	0	0	372	0	372
Shelter Expenses	0	526	0	0	526	0	526
Telephone	0	2,964	2,372	760	6,096	1,252	7,348
Small Tools and Supplies	0	0	0	299	299	0	299
Training	0	0	404	0	404	0	404
Travel	0	1,267	1,268	0	2,535	0	2,535
Utilities	0	3,651	0	4,213	7,864	406	8,270
Vehicle Expense	0	0	0	19	19	0	19
Volunteer - Honorariums	0	48	0	0	48	0	48
In-Kind Expenditures: Volunteers	0	1,874	0	20,909	22,783	0	22,783
TOTAL EXPENSES BEFORE DEPRECIATION	\$102,158	\$ 53,106	\$ 19,718	\$ 43,343	\$218,325	\$ 45,297	\$263,622
Depreciation	0	0	0	641	641	8,333	8,974
TOTAL EXPENSES	<u>\$102,158</u>	<u>\$ 53,106</u>	<u>\$ 19,718</u>	<u>\$ 43,984</u>	<u>\$218,966</u>	<u>\$ 53,630</u>	<u>\$272,596</u>

See accompanying notes to financial statements

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (31,285)	\$ 19,938
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	9,055	8,974
(Increase) Decrease in Operating Assets:		
Returned Checks	17	(17)
Grants Receivable	(4,025)	(3,694)
Interest Receivable	(17)	(4)
Prepaid Insurance	6,752	(1,767)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	20	0
Payroll Taxes Payable	453	502
Accrued Wages Payable	(552)	3,437
Benefits Payable	<u>0</u>	<u>(180)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (19,582)</u>	<u>\$ 27,189</u>
CASH FLOWS (USED) BY INVESTING ACTIVITIES:		
Increase in Certificates of Deposit	\$ (753)	\$ (578)
Purchase of Property and Equipment	<u>0</u>	<u>(11,309)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>\$ (753)</u>	<u>\$ (11,887)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (20,335)	\$ 15,302
BEGINNING CASH AND CASH EQUIVALENTS	<u>79,040</u>	<u>63,738</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 58,705</u>	<u>\$ 79,040</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest Paid	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
CHEROKEE, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006 AND 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity - Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA), located in Cherokee, Iowa, is a non-profit organization which provides counseling and shelter to victims of domestic abuse. CADA/SA believes that all individuals have the right to live their lives free from fear, therefore not being subjected to violence, either actual or threatened. CADA/SA is designed to respond on a 24-hour basis to the victims of domestic violence, sexual assault, violent crimes and to their families, and to work towards increasing community awareness concerning these issues. CADA/SA's support comes primarily from Cherokee, Buena Vista, Sac, and Ida Counties, individual donors' contributions and various government grants.

CADA/SA is exempt from federal income tax as provided under Section 501[c][3] of the Internal Revenue Code and as such does not pay federal or state income taxes. CADA/SA did not conduct any unrelated business activities. CADA/SA has also been classified as an entity that is not a private foundation within the meaning of Section 509[a] and qualifies for deductible contributions as provided in Section 170[b][1][A][vi].

The Council's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for non-profit corporations.

Fund Accounting - The accounts of the Council are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenses. The various funds are summarized as follows in the financial statements:

Unrestricted Fund - This fund is utilized to account for the daily transactions of the Council that are not properly recorded in another fund.

Temporarily Restricted Fund - This fund is used to account for all resources that are restricted by donors and can only be utilized according to donor-imposed stipulations.

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
CHEROKEE, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006 AND 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

Basis of Presentation - Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Council and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Cash and Cash Equivalents - The Council considers cash on hand and demand deposits in banks as cash, and certificates of deposit with original maturities of three months or less as cash equivalents. There were no cash equivalents at June 30, 2006 and June 30, 2005.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006 AND 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture Sales Building	40 Yrs.
Shelter House and Improvements	30 Yrs.
Shelter House Furnishings and Equipment	5-7 Yrs.

Revenue Recognition - Annual fund-drive contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Grants and other contributions of cash are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

CADA/SA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CADA/SA also received donations of food and miscellaneous personal items for client use.

Compensated Absences - Council employees accumulate a limited amount of earned but unused vacation and flex time benefits payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on rates of pay in effect at June 30, 2006 and 2005, respectively.

Contributed Warehouse Space - The fair value of the free use of warehouse space is treated as a contribution received and an expense.

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS:

The Council rents space for the Storm Lake office under an operating lease. The lease is on a month to month basis. The Council also rents a garage in Cherokee under an operating lease. This is a monthly lease with an automatic renewal option. The operating lease expense was \$5,300 and \$5,300 for the years ended June 30, 2006 and 2005, respectively.

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006 AND 2005

NOTE 3 - IN-KIND CONTRIBUTIONS:

A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Donated Services and an offsetting expense, In-Kind Expenditure - Volunteers. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2006 and 2005, CADA/SA recognized \$25,632 and \$22,783 as the value of volunteer services, respectively.

NOTE 4 - SUMMARY OF GRANTS/CONTRACTS FUNDING:

CADA/SA was primarily funded through grants and contracts for the years ended June 30, 2006 and 2005 as follows:

2006

<u>FUNDING SOURCE</u>	<u>GRANT CONTRACT NUMBER</u>	<u>GRANT CONTRACT PERIOD</u>	<u>TOTAL GRANT/ CONTRACT</u>	<u>RECOG- NIZED SUPPORT</u>	<u>CASH RECEIVED</u>
State of Iowa Department of Justice:					
Crime Victim Assistance Program	VA-06-15	7/01/05-6/30/06	\$ 67,540	\$ 67,540	\$ 58,686
	VA-05-15	7/01/04-6/30/05	64,700	0	5,066
Family Violence and Prevention	FV-06-15	7/01/05-6/30/06	26,000	26,000	22,868
	FV-05-15	7/01/04-6/30/05	25,395	0	1,609
Domestic Assault Program	DA-06-15	7/01/05-6/30/06	37,650	37,650	32,170
	DA-05-15	7/01/04-6/30/05	36,002	0	3,580
Sexual Assault Program	SA-06-15	7/01/05-6/30/06	16,600	16,600	13,410
	SA-05-15	7/01/04-6/30/05	16,148	0	1,044
Violence Against Women Grant	VW-06-15	7/01/05-6/30/06	16,000	16,000	13,978
	VW-05-15	7/01/04-6/30/05	18,200	0	1,464
Child Advocacy	CA-06-15	7/01/05-8/31/05	2,000	2,000	2,000
	CA-05-15	10/01/04-6/30/05	5,500	0	209
Iowa Finance Authority					
Homeless Shelter Operation Grant	06-II	7/01/05-6/30/06	15,000	15,000	13,214
	05-II	7/01/04-6/30/05	14,885	0	4,262
Iowa Coalition Against Sexual Assault		11/01/04-10/31/05	13,780	3,436	7,296
Department of Human Services					
DECAT		10/01/05-6/30/06	2,400	2,383	796
		3/02/05-9/30/05	1,200	266	1,200
				<u>\$186,875</u>	<u>\$182,852</u>

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
 CHEROKEE, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006 AND 2005

NOTE 4 - SUMMARY OF GRANTS/CONTRACTS FUNDING - CONTINUED:

2005:

<u>FUNDING SOURCE</u>	<u>GRANT CONTRACT NUMBER</u>	<u>GRANT CONTRACT PERIOD</u>	<u>TOTAL GRANT/ CONTRACT</u>	<u>RECOG- NIZED SUPPORT</u>	<u>CASH RECEIVED</u>
State of Iowa Department of Justice:					
Crime Victim Assistance Program	VA-05-15	7/01/04-6/30/05	\$ 64,700	\$ 64,700	\$ 59,634
	VA-04-3958	7/01/03-6/30/04	65,340	0	3,557
Family Violence and Prevention	FV-05-15	7/01/04-6/30/05	25,395	25,395	23,786
	FV-04-3959	7/01/03-6/30/04	25,395	0	1,563
Domestic Assault Program	DA-05-15	7/01/04-6/30/05	36,002	36,002	32,422
	DA-04-3961	7/01/03-6/30/04	36,002	0	4,537
Sexual Assault Program	SA-05-15	7/01/04-6/30/05	16,148	16,148	15,104
	SA-04-3962	7/01/03-6/30/04	16,148	0	1,338
Violence Against Women Grant	VW-04-15	7/01/04-6/30/05	18,200	18,200	16,736
	VW-04-3960	7/01/03-6/30/04	20,000	0	440
Child Advocacy	CA-05-15	10/1/04-6/30/05	5,500	5,500	5,291
Iowa Finance Authority					
Homeless Shelter Operation Grant	05-II-18001	7/01/04-6/30/05	15,000	15,000	10,738
	04-II-18001	7/01/03-6/30/04	14,885	0	3,825
Iowa Coalition Against Sexual Assault		11/1/04-10/31/05	13,780	10,344	6,484
		11/1/03-10/31/04	7,600	2,610	2,610
		11/1/02-10/31/03	13,502	2,466	2,466
Department of Human Services					
DECAT		03/2/05-09/30/05	1,300	934	0
		08/1/04-09/30/04	1,700	1,700	1,700
				<u>\$198,999</u>	<u>\$192,231</u>

NOTE 5 - CONTINGENCIES:

Council employees may accumulate up to 160 sick leave hours for subsequent use. These accumulations are not recognized as expenditures until used. They are not paid upon an employee's termination. The Council's appropriate maximum liability for unrecognized employee benefits at June 30, 2006 and 2005 is \$6,666 and \$8,971, respectively.

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
CHEROKEE, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006 AND 2005

NOTE 6 - RISK MANAGEMENT:

Council Against Domestic Abuse & Sexual Assault, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance from independent third parties. The Council assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 7 - RELATED PARTY TRANSACTIONS:

The Council's related party transactions consisted of the following:

1. The Council had various furniture sales transactions to various employees. There were no receivables at June 30, 2006 and 2005.
2. The Council purchased a voicemail system in December 2004 and was installed in June 2005. A spouse of an employee is the assistant manager of the Company the system was purchased from. The cost of the voicemail system totaled \$2,136. In April 2006, the Company installed new lines for a total of \$112.
3. The Council uses a lawn service for mowing and snow removal. A spouse of an employee began working for this lawn service in January 2005. Payments to the service totaled \$1,065 and \$287 for the years ended June 30, 2006 and 2005, respectively.
4. A board member's spouse is an assistant manager at New Leaf.

NOTE 8 - MERGER:

During the year ended June 30, 2006, the Council's board agreed to merge its operations with Center Against Abuse & Sexual Assault, Inc. effective July 1, 2006. The Executive Director of Center Against Abuse & Sexual Assault, Inc. will be the Executive Director of the new organization. A new board will be formed from the two prior boards to govern the organization.



INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

To the Board of Directors of  
Council Against Domestic Abuse & Sexual Assault, Inc.

We have audited the financial statements of Council Against Domestic Abuse & Sexual Assault, Inc., Cherokee, Iowa, as of and for the year ended June 30, 2006, and have issued our report thereon dated August 31, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Council Against Domestic Abuse and Sexual Assault, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Council Against Domestic Abuse and Sexual Assault, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item (A) is a material weakness. The prior year reportable condition (A) has not been resolved.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council Against Domestic Abuse & Sexual Assault, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Council's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Council. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Council Against Domestic Abuse & Sexual Assault, Inc. and other parties to whom the Council may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Council Against Domestic Abuse & Sexual Assault, Inc. during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's

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Certified Public Accountants

August 31, 2006

COUNCIL AGAINST DOMESTIC ABUSE & SEXUAL ASSAULT, INC.  
CHEROKEE, IOWA  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

- (A) Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the Council's financial statements. We noted that various individuals have custody of receipts, make disbursements and perform record-keeping and reconciling functions for the Organization.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. The Council should review the operating procedures to obtain the maximum internal control possible under the circumstances.

Response - Director and Board continually review operating procedures to obtain the maximum internal control possible.

Conclusion - Response accepted.

- (B) Cash in NPC Holding Account - The payroll clearing account was not regularly reconciled to the general ledger account balance.

Recommendation - This account should be reconciled like all other bank accounts.

Response - This will be done on a monthly basis.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO STATUTORY REQUIREMENTS AND OTHER MATTERS:

No matters were noted.